

### **ATTACHMENT 3**

#### **MINOR PARENT INCOME DETERMINATION FORMULA**

**NOTE:** The “minor parent's parent” will be referred to as the “major parent”.

A minor parent is defined as a parent under the age of 18, including the month turning 18. The major parent is the biological or adoptive parent of the minor parent, not a stepparent of the minor parent. The income of a major parent(s) is used in determining eligibility, if the major parent(s) lives in the same household as the minor parent. A major parent remains financially responsible for the minor parent until the month s/he reaches the age of 18.

When a minor parent requests benefits, the assistance group(s) and budgeting must be determined based on the family's situation.

If a three generation family does not file as one assistance group, the major parent's income is deemed to the minor parent's assistance group.

**NOTE:** Verification of the major parent's income is necessary to establish eligibility.

When a minor parent moves in with his/her parent(s), determine if the minor parent is included in an assistance group with his/her parent(s) or if the parent's income is deemed to him/her.

**NOTE:** DO NOT include the major parent's spouse who is a stepparent or persons in the minor parent's eligibility unit as dependents.

When the major parent's income is deemed to the minor parent, determine the portion of the major parent's income to attribute to the minor parent.

1. Obtain the major parent's monthly gross income;
2. Subtract the following from the gross earned income:
  - 1) An amount equal to 100% of the Federal Poverty Level (FPL) (see Attachment 3A) for the major parent and their dependents in the household (do not include the minor parent and child).
    - a) Dependents are persons who are or could be claimed by the major parent as a dependent for purposes of federal tax liability.
  - 2) A \$90 work expense standard for each employed major parent.
  - 3) An amount equal to the full need standard (see Attachment 3A) for the major parent and any other individuals living in the home, (whose needs are not considered in the minor parent's assistance group), who are claimed or could be claimed by the parent as dependents for purposes of federal income tax liability.

- a) Example: If two adult parents and a sibling of the minor parent live in the same household as the minor parent and her dependent child, disregard an amount equal to the full standard of need for three people.
- 4) Amounts actually paid by the major parent(s) to individuals not living in the home but who are claimed or could be claimed as dependents for federal income tax purposes.
- 5) Court-ordered alimony or child support paid by the major parent(s) for individuals not living in the household.

The remainder is shown as unearned income on the minor parent's budget.

**EXAMPLE:** Ms. Smith is a minor parent living with her mother. Also in the household are her 2 sisters. Ms. Smith's mother earns \$3,000 monthly.

$$\$3,000 - 1,675 \text{ (100\% of the Federal Poverty Level for 3)} = 1,325$$

$$\$1,325 - \$90 = 1,235$$

$$\$1,235 - \$846 \text{ (full need standard for 3)} = \$389$$

\$389 is the major parent's income deemed to the minor parent.

When a minor parent reaches age 18 or moves out of his/her parent's home, the major parent's income is not deemed effective the next month.